# HORSEMEN OF RETENTION

THE EXACT STEPS TO REDUCE MONTHLY
EXITS AND 2X THE LIFETIME VALUE
OF YOUR MEMBERS



### Welcome to the 5 Horsemen of Retention (for Gyms)

You may think that lead generation is your gym's main bottleneck, in fact a lot of Gym owners come to us saying they need more LEADS.

And while it may be true for some, retention is one of the most overlooked issues preventing MANY gyms from growing.

Making every single new member worth more to you by keeping them longer, and collecting more cash over the lifetime of their membership is the REAL "cheat code" to growing gyms.

Why? Because those that make their clients more valuable can afford to OUTMARKET their competition. That's the REAL game, and the only way you get there is to focus on retention.

Unfortunately retention is one of those things that just always *lives on the backburner*.

Today we change that, and what's great is not only will your business grow... your clients will get better results than ever before.

On the following page you'll see a quick and simple breakdown of our 5 Horsemen of Retention system. I've kept it short for a reason, so you can consume it fast and get right to putting it into action.

At the end of the guide we have a special gift for you that will help you inject more referrals into your gym as soon as next week.

Take this seriously, execute violently, and let us know exactly how it worked for you. We LOVE to hear feedback from gym owners out there in the trenches putting these frameworks in place.

Now, if it's cool with you... it's time to CUT monthly exits, and double the lifetime value of your members.

I hope you enjoy.

Mike Ferreira

Gym Launch

# **5 Horsemen Of Retention**

Did you know at 15% month-over-month churn, a gym will lose 83% of their members in a 12 month stretch? That means that if a gym started Jan 1st with 250 members, they would need to sign up 208 clients by Dec 31st, just to stay in the same spot.

That's a scary game to play.

Now, over the last 8 years, we've discovered hundreds of innovative ways to improve retention, but after surveying our clients that had sub 5% churn month over month, we found 5 SPECIFIC things those TOP gyms were doing to cut down exits and keep their clients longer.

### We call them the 5 Horsemen of retention, and here they are:

- 1. MIA reach outs
- 2. Weekly Touchpoints
- 3. Handwritten Cards
- 4. Internal Events
- 5. Exit Interviews

Now before I dive into each one, I've intentionally made this short and to the point so you can get to executing right away. If you'd like deeper strategies on how to keep members or even get more members I have an invitation for you on the last page here.

Ok, let's get into the strategies																											
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1. **MIA reachouts -** MIA's are those clients that are missing in action from Monday - Wednesday, meaning they have not been to a session in the first 72 hours of the week. To know this, the first step of course is to track attendance. If you don't already track attendance, start now. THEN → On Thursday Morning (every week!) call / text every client that hasn't been in that week to get them scheduled for their next session. That's it. Easy peezy. Just show em you are paying attention and care.

**Pro tip:** Don't just bug them, actually check in how life is, keep a members note log so you know what's going on in people's lives. Vacations, weddings, all of these things disrupt your clients workout routines, and when you remember these details it goes a LONG way.

2. **Weekly Touchpoints -** This one is simple. Text every client 1-2x a week to check in on them and build a relationship - regardless of how long they've been a client. Now depending on the type of gym you are, the frequency and content of your messages may vary. Health Clubs for instance shouldn't reach out as often but a Semi Private Training studio with premium pricing can check in several times a week and take a more personalized white glove approach.

**Pro tip:** These reach outs don't always have to be about their next workout session. Think how can I create a stronger community AND bring this client value? Answering those questions will usually lead to touchpoints that people appreciate.

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3. **Handwritten Cards** - Who doesn't love a handwritten card? Start sending them to every client once a month and include a small personal note about their performance or something you appreciate about them. This is ESPECIALLY important right when someone joins the gym.

**Pro tip:** If you really want to over deliver make note of big life events as well as big milestones within the gym. Instead of just one card a month to everyone, now you're sending out personalized cards for anniversaries, birthdays, promotions, and PR's within the Gym. It takes more planning, and a bit more work, but the gyms that "scale the unscalable" have the lowest churn and keep their clients the longest.

4. **Internal Plays/Events -** When it comes to retention one of the MOST important elements to have in your gym is a sense of "commmunity". This is where a large portion of your members feel connected to EACH OTHER, and see the gym as like their second home / family and not just a place they go to work out. To build this, what you want to do is get your members hanging out doing things OTHER than working out.

This gives them the opportunity to get to know each other on a deeper level, build fun memories together and meet people they'd otherwise NEVER work out with due to schedule preferences. These social events should happen at minimum every 6 weeks, and what we've found is the gyms that have the BEST retention and the HIGHEST LTV actually have multiple things going on every month. For now however you don't need to go crazy... the key is once you start these events, NEVER STOP DOING THEM.

Just like working out... when it comes to running events for your members remember to live by this principle: Consistency > Intensity

**Pro tip:** As you're planning these events involve your team. If you're a one man / woman show... ask some of your members what THEY would love to do. Maybe it's a mud run, maybe a pub crawl, or a gym BBQ... just be sure to rotate to peak the interest of different types of people in your gym.

In addition to events outside the gym, Free member challenges are a fun way to mix things up for your clients as well. A GREAT way to run member challenges is to split up your WHOLE member base into different teams and have them compete and earn points for their team.

If you ever want all of these events and challenges planned out FOR YOU, just reach out to our team at gym launch... our clients get all of this planned out for them. In the mean time though... brainstorm with your team and start making your gym crazy FUN, and a place worth talking about.

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5. **Exit Interviews** - This one's not as sexy but it's SUPER important.

Every client that wishes to cancel should first have an exit interview so you can find out why they're wanting to leave and how you can save their business. Compile the reasons they bring up so you can spot trends and go to work on making your product EVEN BETTER over time. This work while it does take time... will lead to you understanding what your clients ACTUALLY care about and if you do the work, will DRASTICALLY improve your gym.

**Pro tip:** Make it EASY for your clients to schedule these, and TRULY LISTEN to them. It's important not to be defensive, and come from a place of curiosity.... Seeking to UNDERSTAND where they are coming from will serve you well. Sometimes just listening will give you the opportunity to win back their business. Have an offer available for them if you feel you'd like to keep them as a client (let's be honest not EVERY client is good for your gym's culture).

So there they are... the 5 Horsemen of retention and a few tips to go along with em!

We found that when gyms implemented these 5 steps, their churn would follow this trend:

- Month 1: **Increase** by 50% (Ex: 10% -> 15%)
- Month 2: Decrease by 50% (Ex: 15% -> 7.5%)
- Month 3: Decrease by 50% (Ex: 7.5% -> 3.75%)

You see the FIRST month the system is implemented there's a SPIKE in churn, meaning you will get more exits. We call this "shaking the tree". This is because you reach out to everyone and you start contacting those tht were kind of half way out any way. Don't worry... it's part of the game.

After that initial 30 days... it would DROP significantly month over month for the next 2 months and stabilize. That's how powerful these 5 actions are. And when you do the math on this, it's actually one of the most POWERFUL ways to increase your Gym's revenue over the next 6 -12 months.

Just to see how powerful this is... let's look at how CHURN affects the LTV or the Life Time Value of your average membership. The first time I learned this, it changed everything for me.

Now the way to calculate LTV is to take the AVERAGE monthly revenue per client and divide it by your churn. So for now let's say the AVERAGE client in your gym pays you \$150/month (you can plug in your actual numbers after we walk through this.

At 10% churn your LTV is \$1,500 (\$150 / .10)

At 7.5% churn your LTV is \$2,000 (\$150 / .075)

At 3.5% churn your LTV of EVERY new client that signs up is a staggering \$4,285 (\$150 / .035)

THIS IS the secret sauce to being wildly profitable.

How else can you go from a \$1500 LTV to a \$4,300 LTV?

That's 3X more revenue from EVERY future member you sign up.

Quick note: The Gyms that IGNORE THIS oftentimes just stay on the hamster wheel of having to sign up more and more clients every month... These gym owners feel burnt out like they're not getting anywhere, because they AREN'T.

Remember - It's hard to fill a bucket with holes in it...

Plug the holes and soon your bucket (your gym) will be overflowing with more members and more revenue than you've ever seen. Now let's get to work.

### Mike Ferreira

Gym Launch



- 1. Announce that members will be paid CASH for referring friends and family to the gym (if they JOIN the gym)
  - You can use Amazon card delivered by Email to make it easy to pay members
- 2. Calculate your "Cost to Acquire a Client" (CAC), give 25-50% of that as your referral Bonus (Cash is KING don't do prizes)
  - o If it costs \$200 in ad spend to get a new member, pay out \$50 \$100)
- 3. Set up a clipboard in your lobby area to collect referral names and numbers (your members write them not you)
  - Make a big sign explaining how it works (don't just hang a clip board!)
- 4. Make it known everywhere that members EARN  $\rightarrow$  they're friends and family JOIN the gym



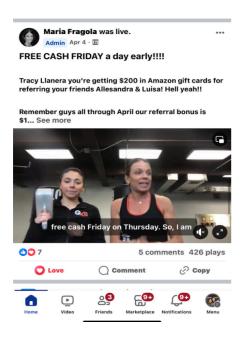
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- Make it part of announcements in classes and part of the culture of the gym
- 5. Go LIVE on FB, IG, in your facebook groups and every platform possible EVERY FRIDAY announcing your "FREE CASH FRIDAY" Weekly winners.
  - Make these fun and different every time, get creative with props like money guns, costumes and whatever it takes to get attention. People Want to be entertained and they LOVE getting money.

**Pro-Tip:** Run "Multiplier Months" during certain times of year to 2x-3x your payout to keep it fresh. January = \$50, Feb = 2x (\$100), March = 3x (\$150). This gets people's attention and engages some members that may not normally care enough to refer.

Sample posts for inspiration:





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